Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

PAGE 01 IAEA V 00631 01 OF 03 241550Z

44
ACTION SCI-06

INFO OCT-01 ARA-16 EUR-25 IO-14 ISO-00 ACDA-19 CIAE-00

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AMEMBASSY BELGRADE PRIORITY
AMEMBASSY MEXICO PRIORITY

UNCLAS SECTION 1 OF 3 IAEA VIENNA 0631

E.O. 11652: N/A
TAGS: TECH, IAEA, MX, US, YO
SUBJECT: DRAFT PROJECT AGREEMENT FOR MEXICAN NUCLEAR
POWER REACTOR

REF: STATE 015030 (NOTAL)

SUMMARY: TEXT DRAFT AGREEMENT IAEA/MEXICO FOR MEXICAN NUCLEAR POWER FACILITY IS AS FOLLOWS:

BEGIN QUOTE

WHEREAS THE GOVERNMENT OF THE UNITED MEXICAN STATES (HEREINAFTER CALLED "MEXICO"), DESIRING TO ESTABLISH A NUCLEAR POWER PROJECT FOR THE PRODUCTION OF ELECTRICITY, HAS REQUESTED THE ASSISTANCE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY (HEREINAFTER CALLED THE "AGENCY") IN SECURING IN THE FIRST STAGE A NUCLEAR POWER REACTOR WHICH MEXICO DESIRES TO PURCHASE FROM A MANUFACTURER IN THE UNITED STATES OF AMERICAN (HEREINAFTER CALLED THE "MANUFACTURER"), AND IN SECURING URANIUM ENRICHMENT SERVICES FOR THE PROJECTS;

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 00631 01 OF 03 241550Z

WHEREAS THE BOARD OF GOVERNORS OF THE AGENCY APPROVED

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

THE PROJECT ON 1974;

WHEREAS UNDER THE AGREEMENT FOR CO-OPERATION BETWEEN THE AGENCY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICAN (HEREINAFTER CALLED THE "UNITED STATES"), AS AMENDED (HEREINAFTER CALLED THE "CO-OPERATION AGREEMENT"). THE UNITED STATES UNDERTOOK TO MAKE AVAILABLE TO THE AGENCY PURSUANT TO ITS STATUTE REACTOR MATERIALS, AND ALSO UNDERTOOK, SUBJECT TO VARIOUS APPLICABLE PROVISIONS AND LICENSE REQUIREMENTS, TO PERMIT, UPON REQUEST TO THE AGENCY, PERSONS UNDER THE JURISDICTION OF THE UNITED STATES TO MAKE ARRANGEMENTS TO TRANSFER AND EXPORT MATERIALS, EQUIPMENT OR FACILITIES FOR A MEMBER OF THE AGENCY IN CONNECTION WITH AN AGENCY PROJECT; AND

WHEREAS THE AGENCY, MEXICO AND THE UNITED STATES ATOMIC ENERGY COMMISSION ACTING ON BEHALF OF THE UNITED STATES ARE THIS DAY CONCLUDING AN AGREEMENT FOR THE SUPPLY OF URANIUM ENRICHMENT SERVICES IN CONNECTION WITH THE PROJECT (HEREINAFTER CALLED THE "SUPPLY AGREEMENT");

NOW, THEREFORE, THE AGENCY AND MEXICO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFITION OF THE PROJECT

THE PROJECT OF WHICH THIS AGREEMENT RELATES IS THE ESTABLISHMENT OF THE NUCLEAR POWER PLANT OF LAGUNA VERDE, LOCATED NEAR ALTO LUCERO, STATE OF VERACRUZ, CONSISTING IN THE FIRST STAGE OF A BILING-WATER REACTOR WITH A RATED CORE POWER OUTPUT OF 1931 MW(TH) AND A RATE GENERATING CAPACITY OF 650 MW(E) (HEREINAFTER CALLED THE "REACTOR"), TO BE OPERATED BY THE MEXICAN FEDERAL ELECTRICITY COMMISSION.

ARTICLE II

SUPPLY OF REACTOR AND URANIUM ENRICHMENT SERVICES
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1. THE AGENCY, PURSUANT TO ARTICLE IV OF THE CO-OPERATION AGREEMENT, SHALL REQUEST THE UNITED STATES TO PERMIT THE TRANSFER AND EXPORT TO MEXICO OF THE REACTOR, TOGETHER WITH COMPONENTS AND SPARE PARTS, MANUFACTURED IN ACCORDANCE WITH A CONTRACT BETWEEN MEXICO AND THE MANUFACTURER.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

2. THE AGENCY HEREBY ALLOCATES TO THE PROJECT DEFINED IN ARTICLE I, AND PROVIDES TO MEXICO ENRICHED URANIUM (HEREINAFTER CALLED THE "SUPPLIED MATERIAL") OBTAINED FROM THE PERFORMANCE OF URANIUM ENRICHMENT SERVICES PURSUANT TO THE TERMS OF THE SUPPLY AGREEMENT, WHICH CONSTITUTES AN INTEGRAL PART OF THIS AGREEMENT TO THE EXTENT THAT IT CREATES RIGHTS AND OBLIGATIONS BETWEEN THE AGENCY AND MEXICO.

3. IT IS UNDERSTOOD BY THE AGENCY AND MEXICO THAT THIS AGREEMENT SHALL APPLY TO ANY ADDITIONAL ASSISTANCE PROVIDED BY THE AGENCY TO MEXICO FOR THE PROJECT.

ARTICLE III

SHIPMENT OF THE SUPPLIED MATERIAL

ANY PART OF THE SUPPLIED MATERIAL, THE SHIPMENT OF WHICH IS ARRANGED BY MEXICO WHILE THE MATERIAL IS IN ITS POSSESSION, SHALL BE ENTRUSED TO A LICENSED PUBLIC CARRIER SELECTED BY MEXICO OR SHALL BE ACCOMPANIED BY A RESPONSIBLE PERSON DESIGNATED BY MEXICO.

ARTICLE IV

AGENCY SAFEGUARDS

1. MEXICO UNDERTAKES THAT THE REACTOR AND ANY NUCLEAR MATERIAL CONTAINED, USED, PRODUCED OR PROCESSED IN OR BY THE USE OF THE REACTOR SHALL NOT BE USED IN SUCH A WAY AS TO FURTHER ANY MILITARY PURPOSE.

2. IT IS SPECIFIED THAT THE SAFEGUARDS RIGHTS AND
UNCLASSIFIED

RESPONSIBILITIES OF THE AGENCY PROVIDED FOR IN PARAGRAPH A OF ARTICLE XII OF ITS STATUTE ARE RELEVANT TO THE PROJECT, AND THAT THEIR IMPLEMENTATION IS SATISFIED BY THE APPLICATION OF SAFEGUARDS PROCEDURES PURSUANT TO THE AGREEMENT BETWEEN THE UNIED MEXICAN STATES AND THE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

44
ACTION SCI-06

INFO OCT-01 ARA-16 EUR-25 IO-14 ISO-00 ACDA-19 CIAE-00

INR-10 L-03 NSAE-00 NSC-10 RSC-01 FEA-02 EB-11 TRSE-00

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AMEMBASSY BELGRADE PRIORITY
AMEMBASSY MEXICO PRIORITY

UNCLAS SECTION 2 OF 3 IAEA VIENNA 0631

INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, SIGNED ON 27 SEPTEMBER 1972 AND WHICH ENTERED INTO FORCE ON 14 SEPTEMBER 1973. IF THE SAID AGREEMENT IS TERMINATED, THE SAFEGUARDS RIGHTS AND RESPONSIBILITIES OF THE AGENCY SHALL BE IMPLEMENTED PURSUANT TO THE AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND MEXICO FOR THE APPLICATION OF SAFEGUARDS UNDER THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA, SIGNED ON SEPTEMBER 1968 AND WHICH ENTERED INTO FORCE ON THAT DATE. HOWEVER, OF BOTH AGREEMENTS ARE TERMINATED, THE SAFEGUARDS RIGHTS AND RESPONSIBILITIES OF THE AGENCY PROVIDED FOR IN PARAGRAPH A OF ARTICLE XII OF ITS STATUTE SHALL BE IMPLEMENTED IN ACCORDANCE WITH ARRANGEMENTS WHICH WILL SUPPLEMENT THIS AGREEMENT, WHICH SHALL BE AGREED FORTHWITH BY THE AGENCY AND MEXICO AND SHALL BE BASED ON THE THEN EFFECTIVE AGENCY'S SAFEGUARDS SYSTEM APPLICABLE TO AGENCY PROJECTS, INCLUDING PROVISIONS WITH RESPECT TO AGENCY INSPECTORS; PENDING AGREEMENT ON SUCH ARRANGEMENTS, THE AGENCY WILL APPLY SAFEGUARDS IN ACCORDANCE WITH THE PROCEDURES PROVIDED FOR IN THAT SYSTEM.

ARTICLE V
HEALTH AND SAFETY MEASURES
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THE HEALTH AND SAFETY MEASURES SPECIFIED IN THE ANNEX TO THIS AGREEMENT SHALL APPLY TO THE PROJECT.

ARTICLE VI

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

AGENCY INSPECTORS

THE RELEVANT PROVISIONS OF THE AGREEMENT BETWEEN THE UNITED MEXICAN STATES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE TREATY ON THE NON-PROLIFERATION OF NECLEAR WEAPONS SHALL APPLY TO AGENCY INSPECTORS PERFORMING FUNCTIONS PURSUANT TO THIS AGREEMENT.

ARTICLE VII

LANGUAGES

ALL REPORTS AND OTHER INFORMATION REQUIRED FOR THE APPLICATION OF THIS AGREEMENT SHALL BE SUBMITTED TO THE AGENCY IN ONE OF THE WORKING LANGUAGES OF THE BOARD OF GOVERNORS OF THE AGENCY.

ARTICLE VIII

SETTLEMENT OF DISPUTES

1. ANY DISPUTE CONCERNING THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT, WHICH IS NOT SETTLED BY NEGOTIATION OR AS MAY OTHERWISE BY AGREED, SHALL BE SETTLED IN THE SAME MANNER AS THAT DESCRIBED IN ARTICLE 22 OF THE AGREEMENT BETWEEN THE UNITED MEXICAN STATES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS.

2. DECISIONS OF THE BOARD OF GOVERNORS OF THE AGENCY CONCERNING THE IMPLEMENTATION OF ARTICLE IV, V OR VI SHALL, IF THEY SO PROVIDE, BE GIVEN EFFECT IMMEDIATELY BY THE AGENCY AND MIXICO PENDING THE FINAL SETTLEMENT OF ANY DISPUTE.

ARTICLE IX

ENTRY ONTO FORCE

THIS AGREEMENT SHALL ENTER INTO FORCE UPON SIGNATURE BY OR FOR THE DIRECTOR GENERAL AND BY THE AUTHORIZED REPRESENTATIVE OF MEXICO.

DONE IN VIENNA, ON THE ..... DAY OF ..... 1974, IN DUPLICATE IN THE SPANISH LANGUAGE.

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ANNEX

HEALTH AND SAFETY MEASURES

1. THE HEALTH AND SAFETY MEASURES APPLICABLE TO THE PROJECT SHALL BE THOSE SET FORTH IN AGENCY DOCUMENT INFCIRC/18 (HEREINAFTER CALLED THE "HEALTH AND SAFETY DOCUMENT"), AS SPECIFIED BELOW.

2. MEXICO SHALL APPLY THE AGENCY'S BASIC SAFETY STANDARDS AND RELEVANT PROVISIONS OF THE AGENCY'S REGULATIONS FOR THE SAFE TRANSPORT OF RADIOACTIVE MATERIALS, AS THESE STANDARDS AND REGULATIONS ARE REVISED FROM TIME TO TIME, AND SHALL AS FAR AS POSSIBLE APPLY THEM ALSO TO ANY SHIPMENT OF SUPPLIED MATERIAL OUTSIDE MEXICO. MEXICO SHALL ENDEAVOUR TO ENSURE SAFETY CONDITIONS AS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

RECOMMENDED IN THE RELEVANT PARTS OF THE AGENCY'S CODES OF PRACTICE ON THE SAFE OPERATION OF NUCLEAR POWER PLANTS AND ON SAFE REACTOR DESIGN AND CONSTRUCTION, AND OF THE AGENCY'S GUIDELINES FOR THE ORGANIZATION OF REGULATORY ACTIVITIES FOR NUCLEAR POWER REACTORS AND EARTHQUAKE GUIDELINES FOR REACTOR SITING.

3. MEXICO SHALL ARRANGE FOR THE SUBMISSION TO THE AGENCY, AS LEAST SIX MONTHS PRIOR TO THE PROPOSED TRANSFER OF ANY PART OF THE SUPPLIED MATERIAL TO THE JURISDICTION OF MEXICO, OF A DETAILED SAFETY REPORT CONTAINING THE INFORMATION SPECIFIED IN THE AGENCY'S GUIDELINES FOR THE LAYOUT AND CONTENT OF SAFETY REPORTS FOR STATIONARY NUCLEAR POWER PLANTS, WITH PARTICULAR REFERENCE TO THE FOLLOWING ITEMS TO THE EXTENT THAT SUCH INFORMATION IS NOT YET AVAILABLE TO THE AGENCY:

(A) INFORMATION RELATING TO THE SITE OF THE NUCLEAR POWER PLANT;

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PAGE 01 IAEA V 00631 03 OF 03 241558Z

44
ACTION SCI-06

INFO OCT-01 ARA-16 EUR-25 IO-14 ISO-00 ACDA-19 CIAE-00

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UNCLAS SECTION 3 OF 3 IAEA VIENNA 0631

(B) SUMMARY DESCRIPTION OF THE PLANT, ITS PRINCIPAL DESIGN CRITERIA, ITS DESIGN BASES, AND ITS PRINCIPAL OPERATION CHARACTERISTICS AND SAFETY IMPLICATION;

(C) SAFETY ANALYSIS DESCRIBING THE WAY IN WHICH PLANT OPERATION WILL BE CONDUCTED, INDICATING THE EFFECTS OF ANTICIPATED DISTURBANCES OF INDIVIDUAL SYSTEM AND COMPONENT DESIGNS, AND SHOWING THAT THE CAPACITY BUILT INOT THE PLANT WILL CONTROL OR ACCOMMODATE SUCH DISTURBANCES;

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

(D) RECEIPT AND HANDLING OF SUPPLIED MATERIAL;
(E) HANDLING AND STORAGE OF FUEAL AFTER UNLOADING FROM THE REACTOR.

THE TRANSFER SHALL NOT TAKE PLACE UNTIL THE AGENCY HAS DETERMINED THAT THE SAFETY MEASURES DESCRIBED IN THE REPORT ARE ACCEPTABLE. THE AGENCY MAY REQUIRE FURTHER SAFETY MEASURES IN ACCORDANCE WITH PARAGRAPH 30 OF THE HEALTH AND SAFETY DOCUMENT. SHOULD MEXICO DESIRE TO MAKE SUBSTANTIAL MODIFICATIONS TO THE PROCEDURES WITH RESPECT TO WHICH INFORMATION HAS BEEN SUBMITTED, OR TO PERFORM ANY OPERATIONS WITH THE REACTOR (INCLUDING FINALLY COLSING IT DOWN) OR WITH THE SUPPLIED MATERIAL AS TO WHICH OPERATION NO SUCH INFORMATION HAS BEEN SUBMITTED, IT SHALL SUBMIT TO THE AGENCY ALL RELEVANT INFORMATION AS SPECIFIEC IN PARAGRPAH 29 OF THE HEALTH AND SAFETY DOCUMENT,
UNCLASSIFIED

UNCLASSIFIED

IN SUFFICIENT TIME TO ENABLE THE AGENCY TO PERFORM ITS TASK IN ACCORDANCE WITH PARAGRAPH 30 OF THE DOCUMENT, BEFORE SUCH MODIFIED PROCEDURES OR ADDITIONAL OPERATIONS ARE CARRIED OUT.

4. MEXICO SHALL ARRANGE FOR THE SUBMISSION OF THE REPORTS SPECIFIED IN PARAGRAPHS 25 TO 27 OF THE HEALTH AND SAFETY DOCUMENT.

5. THE AGENCY MAY INSPECT THE NUCLEAR POWER PLANT, IN ACCORDANCE WITH PARAGRAPHS 33 TO 35 OF THE HEALTH AND SAFETY DOCUMENT, AT THE PRE-CONSTRUCTION REVIEW AND THE CONSTRUCTION PERMIT STAGE, ONCE DURING THE FIRST YEAR OF OPERATION, AND THEREAFTER NOT MORE THAN ONCE A YEAR, PROVIDED THAT SPECIAL INSPECTIONS MAY BE CARRIED OUT IN THE CIRCUMSTANCES SPECIFIED IN PARAGRAPH 32 OF THE DOCUMENT.

6. CHANGES MAY BE MADE TO THE SAFETY STANDARDS AND MEASURES LAID DOWN IN THE ANNEX, IN ACCORDANCE WITH PARAGRAPHS 38 AND 29 OF THE HEALTH AND SAFETY DOCUMENT. END QUOTE. PORTER

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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EO Systematic Review
30 JUN 2005

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